

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice CRP-405**

**For:** State and County Offices

**Adjusted Gross Income Provisions Related to CRP**

**Approved by:** Acting Deputy Administrator, Farm Programs



**1 Overview**

**A**

**Background**

President Bush signed the Farm Security and Rural Investment Act of 2002 (the Act) on May 13, 2002. Section 1604 of the Act amends the Food Security Act of 1985 to add an adjusted gross income limitation effective for the 2003 crop year for certain programs, including CRP. This limitation provides that an individual or entity shall not be eligible to receive certain benefits, during a crop year, if the average adjusted gross income of the individual or entity exceeds \$2.5 million, and less than 75 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations.

CRP producers may defer the effective date of CRP-1 for continuous signup offers up to 6 months. Beginning May 13, 2002, participants with contracts that have a contract effective date beginning on October 1, 2002, or later, are subject to the adjusted gross income provisions.

**B**

**Purpose**

This notice provides:

- procedure concerning approval of CRP-1's with contract effective dates beginning October 1, 2002, or later
- instructions for County Offices to provide a report of all CRP-1's approved on or after May 13, 2002, that have a contract effective date beginning October 1, 2002, or later.

**Disposal Date**

January 1, 2003

**Distribution**

State Offices; State Offices relay to County Offices  
and NRCS State Offices

## Notice CRP-405

### 2 CRP Contract Approvals

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#### A

##### Approving CRP-1's

Immediately upon receipt of this notice, COC's must **not** approve CRP-1's with a contract effective date beginning on October 1, 2002, or later.

**Note:** CRP-1's with a contract effective date before October 1, 2002, may be approved according to 2-CRP, paragraph 223.

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### 3 Action

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#### A

##### County Office Action

County Offices shall:

- follow the provisions of this notice when approving CRP-1's
- provide a report, to the State Office, that lists all CRP-1's that were approved on or after May 13, 2002, with a contract effective date beginning on October 1, 2002, or later
- immediately discontinue approving CRP-1's with a contract effective date beginning on October 1, 2002, or later.

**Note:** The report must include the CRP-1 number, acres, and contract approval date. Negative reports are required.

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#### B

##### State Office Action

State Offices shall:

- ensure that all County Offices follow the provisions of this notice
- provide a county-by-county report, to CEPD, by COB July 15, 2002.

**Note:** Negative reports are required.

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